

State of Wisconsin
Office of the Commissioner of Insurance

December 2005
With COSMOS Codes

Form Filing Checklist – Long Term Care

DISCLAIMER

The form filing checklists are intended only as guides for submitting various policy forms to the Office of the Commissioner of Insurance. The checklists are summaries, and are not intended as an OCI directive nor to interpret or address technical legal questions. Use of these checklists does not guarantee automatic approval of policy form submissions. Although efforts have been made to ensure that the checklists are current and accurate, information is subject to change on a regular basis without prior notice.

The cites in the second column reference Wisconsin statutes unless they begin with “Ins” which indicates an administrative code [regulation]

***Denotes December 2005 Revision**

REQUIRED ITEMS FOR A COMPLETE FILING

| Required | Reference | Comments |
|--|---------------------------|---|
| Filing Transmittal Form | 601.42 (1) Ins 6.05 | Submit separate form for each form substantially identical to Appendix B, s. Ins 6.05, Wis. Adm. Code |
| Cover Letter | | Include a brief explanation of use and intent of the form filing, or that identifies amendments to prior policy form filing |
| Certificate of Compliance | Ins 6.05 | Substantially identical to Appendix A, s. Ins 6.05, Wis. Adm. Code, signed by an officer of the insurer |
| Certificate of Readability | Ins 6.07 & 3.46(5)(b)8 | Form that meets the minimum standards under s. Ins 6.07, Wis. Adm. Code, signed by an officer of the insurer |
| Authorization to file on insurers behalf | Ins 6.03(3)(a) | |
| Actuarial Memorandum | Ins 3.455(10) | BULLETIN, November 19, 2001 http://oci.wi.gov/bulletin/1101ah.htm |
| Commission Limitations | Ins 3.46(13) | 1 st year compensation not to exceed 400% of 2 nd through 5th renewal years |
| Rate Filing | Ins 6.06 & 3.455 | Individual policy form filings |

REQUIREMENTS OF LONG TERM CARE INSURANCE (Product Category & Product Code of Group Accident & Health, HHC, LTC, NUR; Individual Accident & Health, HHC, LTC, NUR)

| Review Requirements | Reference | Comments |
|--|--|---|
| <u>Face Page</u> | | |
| Readability | Ins 3.46(5)(b)8 | Not less than 10-point type |
| Corporate legal name | 631.31 & 631.64 | Full corporate name on face page of policy, full address somewhere in policy |
| LTC Caption | Ins 3.46(4)(b) | Identifies policy as “Long Term Care Insurance”, “Nursing Home Insurance ” or “Home Health Care Insurance ” |
| Right to return policy *Edited Dec 2005 | 631.31(c), 632.73, Ins 3.46(5)(b)2 | 30 day “free look” period |
| Renewability | 632.82, Ins 3.13(2) & Ins 3.46(3)(b) | Guaranteed Renewable for Life caption |

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| Important Notice | Ins 3.28(5)(d) | Notice required on front of policy, concerning statements made in the application [Individual policies/certificates] |
| Premium Increase | Ins 3.455(9) Ins 3.46(9)(i) | Distinguish between issue age and attained age premiums |
| UCR disclosure | Ins 3.60(5) | Notice on first page of policy stating that insurer settles claim based on specific methodology [When benefits paid based on UCR] |
| Notice of right to file a complaint | 631.28, Ins 6.85 (4) | Notice described under Appendix 1 or 2, s. Ins 6.85, Wis. Adm. Code. |
| <u>General Contract</u> | | |
| Entire Contract | 631.11 | |
| Incontestability | 632.76(1) | Policy is incontestable after 2 years, except for fraudulent misrepresentation |
| Pre-existing condition exclusion | 632.76, Ins 3.28(6)(a) & 3.46(5)b | Limited to 6 months; If the existence of a pre-existing condition is disclosed on application, pre-existence defense cannot be used (unless condition is excluded from coverage by name) |
| Premium Increase | 631.36(4) | 60-day notice of premium increases greater than 25% |
| Rate Increase Standards | Ins. 3.455(9) & (9m) | |
| Grace Period | 632.78 | Required 31 day grace period |
| Mid-term Cancellation | 632.825 | |
| Termination | 631.36, Ins 3.46(5)(b)7 | |
| Non-duplication of Medicare benefits | Ins 3.46(4)(f) | Clearly disclose does not duplicate payments by Medicare |
| Reinstatement provision | 632.74 | Required reinstatement provision if policy terminates for nonpayment of premium [waiting periods for illness not allowed] |
| Reinstatement for Cognitive Impairment | Ins 3.46(4)(t) | Minimum of 5 months |
| Unintentional Lapse | Ins 3.46(15)(e) | |
| Continuation/conversion | 632.897 (9) Ins 3.455(7) | |
| Permitted limitations | 632.77, Ins 3.46(4)(L) | Change of occupation; misstatement of age; limitations on payment |
| Notice and proof of loss | 631.81 | Notice or proof of loss is furnished as soon as reasonably possible & w/in one year of time required by policy |
| Limitation of actions | 631.83(1)(b) | Action must be commenced w/in 3 years of when proof of loss was required to be furnished |
| Change of beneficiary | Ins 3.30 | |
| Subrogation | <u>Rimes</u> | |
| Arbitration | 631.85 | |
| Mandatory Arbitration Prohibited *Edited Dec 2005 | 631.83(3)(c) | Policy may not provide that no action may be brought |
| <u>Schedule of Benefits</u> | | |
| List of services covered | Ins 3.46(4) | Daily benefits payable |
| Elimination period | Ins 3.46(4)(d) | Expressed in number of days per lifetime or per period of confinement |

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| <u>Definitions</u> | | |
| Activities of Daily Living (ADLs) | Ins 3.46(17)a | |
| Long term care | Ins 3.46(3)(e) | Definition of policy |
| ADLs | Ins 3.46(17)a | |
| DHFS Definitions | HFS 89 | Assisted Living, CBRF, RCAC |
| Covered Benefits | Ins 3.46(3) | Nursing Home, home health care, adult day care |
| <u>Benefit Description</u> | | |
| Daily Benefit | Ins 3.46(4)(b) | Not less than \$60 |
| Eligibility | Ins 3.46(17)(b) | No more than 3 ADLS or the presence of cognitive impairment |
| Lifetime Maximum Benefit | Ins 3.46(4)(e) | Maximum of not less than 365 days |
| Irreversible dementia | Ins 3.46(4)(I) | Positive statement regarding coverage |
| Preexisting Condition Limitation | 632.76, Ins 3.46(5)(b)1 | Limited to 6 months, no limitation for conditions included in the application |
| Additional benefits | Ins 3.46(4)(c)() | Must be 50% of the daily maximum benefit |
| Benefit appeal | Ins 3.46(4)(q) Ins 3.55(2)(b) | |
| Extension of Benefits | Ins 3.46(5)(7) | Coverage of existing institutionalization |
| <u>Optional Benefits</u> | | |
| Inflation Protection | Ins 3.46(11) | Compounded annually at 5% or based on CPI |
| Nonforfeiture Benefit | Ins 3.46(19) | |
| Waiver of Premium | | Limit of 90 day waiting period |
| <u>Outline of Coverage</u> | | |
| Readability | Ins 3.46(8) | Caption in 18 point type |
| Title | Ins 3.46 Appendix 1 | Long Term Care Insurance , Nursing Home, Home Health Care |
| Caption | Ins 3.46(8) &Appendix 1 | Identical to that in regulation and Appendix |
| Definitions | Appendix 1 (1)(I) | |
| Free Look | Appendix 1 (1)(g) | |
| Benefit Appeal Procedure | Appendix 1 (1)(j) | |
| Exclusions & Limitations | Appendix 1 (1)(c) | |
| Summary | Appendix 1 (3) | Summary of costs of the policy & optional riders |
| Renewability | Appendix 1 (5) | |
| <u>Disclosure Forms</u> | | |
| Personal Worksheet | Ins 3.46 Appendix 2 | |
| Things You Should Know... | Ins 3.46 Appendix 3 | |
| LTC Suitability Letter | Ins 3.46 Appendix 4 | |
| Potential Rate Increase Disclosure Form | Ins 3.46 Appendix 5 | |

Form Filing Checklist - Long Term Care

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| Replacement Form | Ins 3.46(14)(e) & 3.29 | May use NAIC Model |
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ADDITIONAL REQUIREMENTS FOR TAX-QUALIFIED PLANS

| Review Requirements | Reference | Comments |
|--|---------------------|--|
| Tax Qualified Caption | Ins 3.46(18)(b) | Disclosure that policy meets the federal requirement as Tax-qualified |
| Definitions | Ins 3.46(18)(a) | “Severe cognitive impairment”, “substantial supervision”, “substantial assistance”. Note: Social workers in Wisconsin are certified. |
| Certification by Licensed Health Care Practitioner | Ins 3.46(18)(a)3 | |
| Outline of Coverage | Ins 3.46(18)(c) | Disclosure that policy is tax qualified and that functional incapacity or ADLs benefit triggers must last 90 days |

REQUIREMENTS FOR APPLICATION AND ENROLLMENT FORM

| Review Requirements | Reference | Comments |
|--|--------------------|--|
| Application | | |
| Elimination period disclosure | Ins 3.46(12)(b) | Include if in excess of 180 days |
| Replacement Question | Ins 3.46(14){c} | |
| HIV | Ins 3.53 | |
| Inflation Protection | Ins 3.46(11)(d) | Signed acceptance or rejection |
| Nonforfeiture Benefit | Ins 3.46 (19) | |
| Genetic Testing | 631.89 | No questions regarding genetic testing and no requirements for test |
| Personal medical information disclosure authorization Edited Dec 2005 | 610.70(2) | If form authorizes disclosure of personal medical information, specific information must be included in disclosure authorization |